USF/ICC

### Congress of the United States

Washington, DC 20510

October 21, 2011

The Honorable Julius Genachowski Chairman Federal Communications Commission 445 12<sup>th</sup> St SW Washington, DC 20554

Dear Mr. Chairman:

We write regarding proposals to reform the Universal Service Fund (USF) and the intercarrier compensation (ICC) system that the Federal Communications Commission (FCC) is currently considering.

In particular, we believe any reform must take into account the impact on small, rural communication providers, like those in Iowa, and their customers – our constituents. It is critical to consider the great strides that so many rural cooperatives and small commercial communications providers have made in using valuable USF and ICC resources to provide outstanding service in remote, hard-to-reach, and high-cost areas of rural America. We should embark on a policy course that builds upon and sustains this successful model rather than dismantles it. Doing anything less will do a disservice to our constituents and will make rural economic development initiatives more difficult.

There is broad agreement regarding the need to reform USF and ICC, but we need to do so in a deliberate and careful way that both promotes broadband service where it is not available today and also does not harm rural customers who already have broadband service. Without access to reasonably comparable broadband service, rural America will fall behind in terms of distance education, telemedicine, and economic development. Today, access to affordable broadband service isn't a luxury – it is fundamental to doing business, educating our children, providing medical care, and protecting our national security. As such, decisions you and your colleagues make today will have dramatic, long-term implications for the quality of life for rural communities.

Many stakeholders have weighed in on this issue, and we encourage the FCC to examine their suggestions and proposals carefully. In so doing, we urge you and your colleagues to evaluate all specific proposals with a focus on achieving the twin goals of both maintaining broadband where it is today and promoting more widespread availability. We hope the commission will reject any USF and ICC reforms that would undermine the availability and affordability of services offered by small rural providers in high-cost areas, and instead will implement reforms

that build upon and sustain the great success so many rural communications providers have had in deploying robust broadband.

Thank you for your consideration, and we look forward to hearing from you.

Tom Harkin

**United States Senator** 

Leonard Boswell

Member of Congress

Bruce Braley

Member of Congress

Dave Loebsack

Member of Congress

Sincerely,

Chuck Grassley

United States Senator

Steve King

Member of Congress

Tom Latham

Member of Congress

cc:

Commissioner Copps
Commissioner McDowell

Commissioner Clyburn



# UNITED STATES SENATE

## Senator Tom Harkin

731 Hart Senate Building Washington, DC 20510-1502 Website: harkin.senate.gov

Phone: (202)224-3254 Fax: (202)224-9369

Date: 10/21/2011

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Pages to Follow: 2		
Comments:		
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# JULIUS GENACHOWSKI

#### FEDERAL COMMUNICATIONS COMMISSION

November 17, 2011

The Honorable Charles E. Grassley
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley:

Thank you very much for your letter regarding the Commission's efforts to reform and modernize the Universal Service Fund (USF) and the intercarrier compensation system (ICC). Your thoughts and concerns were a valuable contribution to our process, and were considered as part of the Commission's deliberations.

On October 27, after many years of hard work on Capitol Hill, among the FCC's Commissioners, and by Commission staff, the Commission unanimously adopted a comprehensive Order overhauling the broken and backward-looking USF and ICC systems for the Internet age. By transitioning these programs to the Connect America Fund, we are delivering on our shared national goal of universal voice and broadband service – including universal mobile voice and broadband service – and enabling increased private sector investment in the indispensable infrastructure of the 21<sup>st</sup> century: broadband. Importantly, our reforms are fiscally responsible, eliminating waste and inefficiency, using market-based mechanisms to target support where it is needed, and putting the Fund on a firm budget.

The Commission's Order will create jobs beginning in 2012, and lay the foundation for enduring job creation, economic growth, and U.S. global competitiveness for years to come.

For your information, I am enclosing a copy of the Order's "Executive Summary." Please let me know if I can be of any further assistance.

Sincerely,

Julius Genachowski

Enclosure

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November 17, 2011

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